

The Chester Boards of Selectmen and Finance held a joint special meeting on Thursday, January 16, 2014, at the Chester Town Hall, 203 Middlesex Avenue, Chester, Connecticut. Others present included Superintendent Dr. Ruth Levy, Garth ?, Dave ?, and Bruce Watrous.

First Selectman Ed Meehan noted the purpose of this meeting was to understand and learn about the Minimum Budget Requirement and what can be taken away from this request by the State Department of Education to restore funds to the Chester Elementary School Budget. First Selectman Meehan noted the Board of Selectmen would like to come out of this meeting knowing what needs to be done next in terms of working with the Board of Ed if necessary for restoring those funds.

Dr. Levy noted a waiver has never been granted and the State will not be setting a precedent at this time for a waiver.

Garth explained the MBR is the Minimum Budget Requirement that the State requires that a town fund their education on a year to year basis. Every August the town must report the final budgets to the State Dept. of Ed and based on that they do their calculation. He explained back in March conversations were held with the State Dept. of Ed to determine if, because of declining enrollment, the budget would be reduced. He reviewed correspondence with the State, the process involved and how the calculations are arrived at.

Garth further explained based on all that information they reported in August. In November a letter was received from the State stating they were out of compliance in the amount of \$41,000 for Chester Elementary. He noted there is no penalty for the reduction due to ADM in Region 4.

First Selectman Meehan asked why does the State Dept. of Ed blend the two separate district numbers (K6) and roll those into the Region 4 numbers (as K12). Chester doesn't get credit for the 17 student reduction by using that methodology of a K12 system. Garth replied that is how the Statute is written and they don't have the ability to tweak that formula. It was noted the education contribution for this year compared to last year was \$300,000 less for Region 4 and \$21,000 less for CES. First Selectman Meehan noted this was based on the Average Daily Membership the prior October. The MBR technically says the town should spend equal to or more than the prior year for education.

First Selectman Meehan asked if there were other districts in the State that have local policy makers. Garth noted Region 8 is similar in that there elementary schools are separate from regional. Dr. Levy noted Region 11 is also the same. Board of Finance Chair Carmany noted then there are only 3 Regions – 4, 8 and 11 – that have this problem. Dr. Levy replied yes because those towns have individual elementary schools that funnel into a regional middle/high school.

First Selectman Meehan noted these 3 districts are an anomaly and the MBR Statute that fits all and the Legislature should amend it down the road. Dr. Levy agreed that was the crux of the matter and there are two completely separate sides of controversy. The controversy has two issues. One issue is the need for MBR altogether. The second issue is when there is a strained relationship between the Board and the Town and there is a likelihood education will not be funded adequately, there is a need for this statute requirement. People are arguing on both sides of the argument with no resolve.

Dr. Levy noted there is a recommendation that we have to mitigate the situation for this year without having to pay penalties to the State. If the \$41,000 is put back in the budget, then there is no penalty. If that amount is not put back into the budget, there is a penalty of \$2.00 for every \$1.00, or \$82,000.

First Selectman Meehan noted it should be pointed out that Chester has a separate Elementary School with its own budget and policy board. The Chester Board of Education sets their own budget and the Town Meeting approves it apart from the budgets of the 3 towns voted at referendum. A waiver might be appropriate based on that fact. Perhaps the other two districts should also be considered. It was not clear whether the other two districts have an issue with the MBR.

First Selectman Meehan noted the other option is to restore the funds between now and the end of the fiscal year.

Lori Ann Clymas asked if anyone has asked for a legal opinion of the regulation. There was a brief discussion regarding how the calculations are arrived at. It was her suggestion to put the funds back in the budget but also look to the State for further clarification and interpretation.

First Selectman Meehan noted one question is does the Town of Chester see itself as a separate district (Chester Elementary School) as opposed to Region 4. If that's how Chester sees it then that perhaps needs to be communicated to the State Dept. of Ed.

It was suggested maybe a formal request for a hearing and/or extension should be made on the June 30th deadline. First Selectman Meehan noted it should at least be communicated to the State that the Town is working its way through this, but there is a question of interpretation and reconsideration of this particular phrasing because of the uniqueness of this situation. Dr. Levy noted they work with Shipman & Goodwin and there are a number of attorneys there that deal with legislative issues on the educational side. They might be able to render an opinion on a more expeditious manner. Ms. Clymas noted that opinion would not be from the State and they could say they disagree with it. Discussion ensued as to whether to ask

the State for an interpretation and an extension. First Selectman Meehan felt it was worth asking for the interpretation. Dr. Levy noted all 3 of the towns will be in this situation within the next 2 to 3 years. BOF Chairman Carmany noted she would argue for the ability to reduce the MBR because of reduced enrollment.

There was further discussion as to what the ramifications would be if the \$41,000 is restored and how this would effect future years.

David felt the burden was on the town to tell the State why this is incorrect. He felt it would behoove the town to ask for a hearing and getting some clarification.

Dr. Levy noted it may be good to get a private opinion to have that documentation in hand when going to the State and asking for reconsideration. She felt there will be other towns going through the enrollment decline and MBR issues.

First Selectman Meehan noted he would hope the Legislature looks at this and cleans it up for the future. This is very confusing.

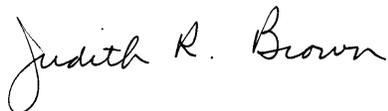
It was noted the Town is not challenging the MBR, but rather the interpretation for our district.

After much discussion, Dr. Levy noted she would advise the State that it is the intent to comply by June 30th. She also noted as soon as she receives an opinion from Shipman & Goodwin she would like to meet with the BOS/BOF again.

First Selectman Meehan thanked everyone for coming to this meeting.

There being no further business, the meeting adjourned.

Respectfully submitted,

A handwritten signature in cursive script that reads "Judith R. Brown".

Judith R. Brown, Recording Secretary